

Monterey County Economic Forecast

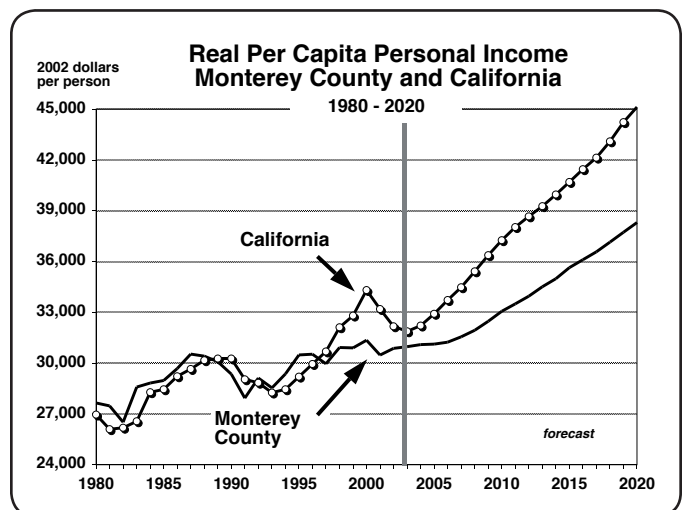
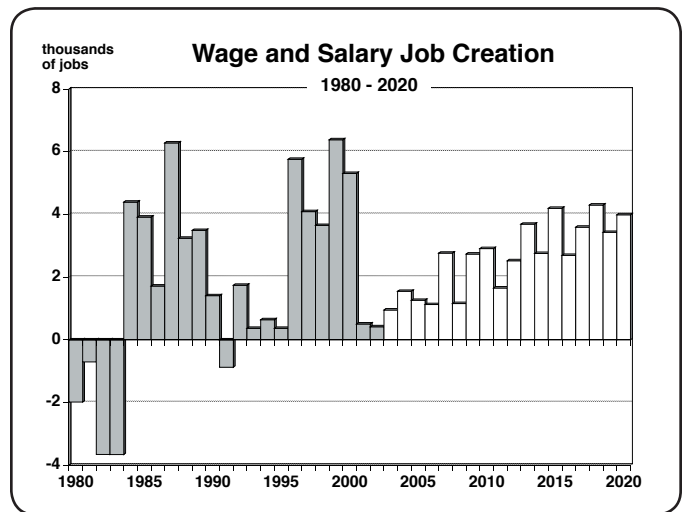
Monterey County is the third-highest farm-producing county in California and one of the nation's leading vegetable-producing areas. A very significant wine-grape region has evolved in the county as well, with wine production soaring in recent years. The county's tourism industry attracts business year-round in Monterey Bay. Big Sur, the Ventana Wilderness, and the Los Padres National Forest offer a variety of recreational and cultural activities. The city of Monterey is also home to the famous Monterey Bay Aquarium and the Monterey Bay Aquarium Research Institute, one of the largest marine research centers in the United States.

The population of Monterey County was estimated at 415,800 in January 2003. The largest city in the county, Salinas, grew in population to 150,300, an increase of almost 40 percent since 1992. Serving as the industrial, commercial, and residential hub of the Salinas Valley, the city of Salinas has become a regional trade center for California's Central Coast counties.

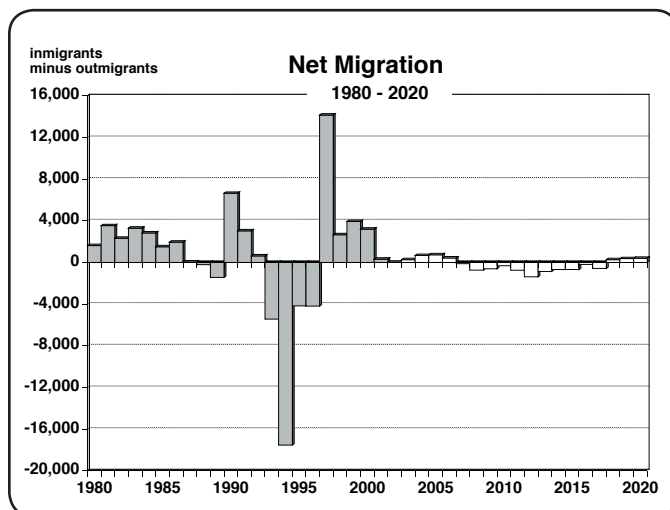
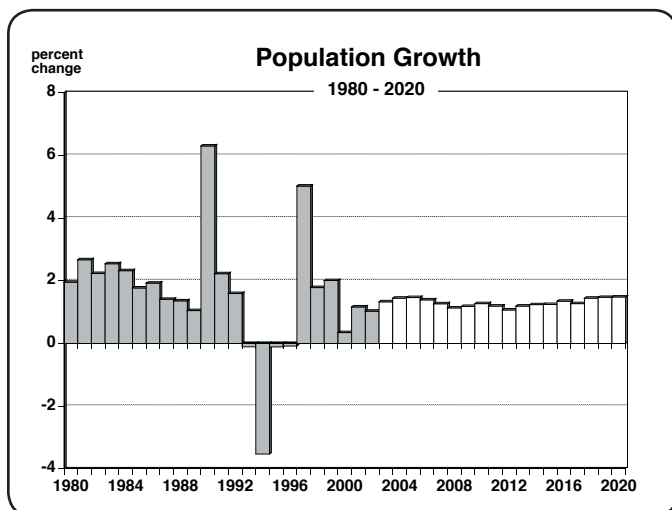
In 2002, the increase in wage and salary employment was insignificant, most of net increase coming from the farm sector. Farm jobs are not forecast to rise much in over the next several years, as more service and government jobs dominate future employment growth. Services is the largest sector with 24 percent of all wage and salary jobs. The sector is expected to remain the dominant engine of job growth for the next 5 to 10 years in the county, adding education, personal services, and healthcare jobs especially.

Forecast Highlights

- Job growth is forecast to average 0.9 percent per year over the next 5 years. This is a significant deceleration from the average 2.1 percent rate of growth between 1997 and 2002. Slower job creation is forecast for the farm, service, and government sectors. However, the construction industry will continue to produce jobs at a faster pace than other sectors.
- The unemployment rate is expected to rise to 10.8 percent in 2003, and remains in the 10 to 11 percent range for the next 5 years.



- Population growth averaged 1.3 percent per year between 1997 and 2002. No change in the growth rate is forecast for the next 5 years: 2003-2008. Population growth is influenced more by the natural increase than by in-migration, which falls off to immaterial levels over the next 5 years due to the lack of housing. However, the number of births increases significantly in the county as the 20 to 29 age population increases more than 30 percent over the next 15 years.
- Real per capita income increased slightly in 2002. Forecasted growth will continue in 2003 and rise at an annual compound rate of growth of 0.6 percent between 2003 and 2008. Between 1997 and 2002, real per capita personal averaged the same 0.6 percent per year.



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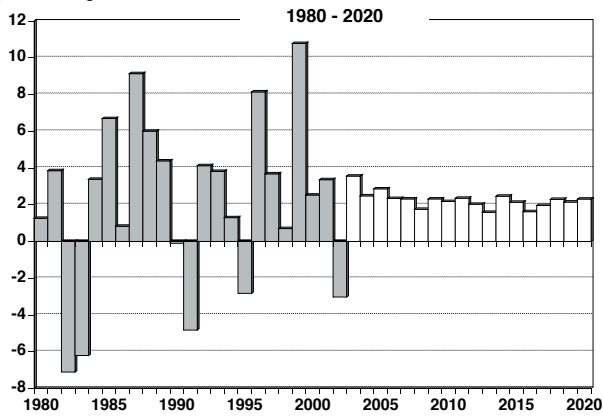
1995-2002 History, 2003-2020 Forecast

	July Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Retail Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Farm Crop Value (millions)	Industrial Production (billions)
1995	368,700	-4,167	271	112.6	1,323	\$2.2	\$8.8	\$30,488	\$2,029	\$1.6
1996	368,400	-4,197	277	113.5	1,496	\$2.4	\$9.0	\$30,527	\$1,933	\$1.7
1997	386,900	14,145	267	114.7	1,713	\$2.5	\$9.6	\$29,962	\$2,269	\$1.8
1998	393,800	2,662	285	116.3	1,178	\$2.7	\$10.4	\$30,921	\$2,295	\$1.8
1999	401,700	3,932	297	117.5	2,081	\$3.0	\$11.1	\$30,905	\$2,369	\$2.0
2000	403,100	3,197	310	120.9	1,702	\$3.3	\$11.8	\$31,358	\$3,013	\$2.0
2001	407,800	310	323	122.8	1,064	\$3.5	\$12.2	\$30,480	\$2,854	\$2.1
2002	412,000	20	330	123.9	1,205	\$3.5	\$12.7	\$30,871	\$3,131	\$2.0
2003	417,478	261	334	125.6	1,297	\$3.6	\$13.3	\$30,975	\$3,174	\$2.1
2004	423,510	667	339	127.2	1,443	\$3.7	\$13.9	\$31,094	\$3,229	\$2.1
2005	429,714	730	344	128.5	1,468	\$3.9	\$14.5	\$31,124	\$3,301	\$2.2
2006	435,700	424	350	129.8	1,505	\$4.2	\$15.1	\$31,241	\$3,406	\$2.3
2007	441,226	-119	355	131.2	1,606	\$4.4	\$15.9	\$31,552	\$3,478	\$2.3
2008	446,227	-741	361	132.2	1,570	\$4.6	\$16.7	\$31,945	\$3,597	\$2.3
2009	451,503	-614	367	133.5	1,684	\$4.9	\$17.6	\$32,472	\$3,702	\$2.4
2010	457,238	-315	373	134.7	1,685	\$5.2	\$18.7	\$33,061	\$3,795	\$2.4
2011	462,698	-751	379	135.6	1,598	\$5.5	\$19.7	\$33,504	\$3,942	\$2.5
2012	467,645	-1,388	385	136.7	1,600	\$5.8	\$20.8	\$33,954	\$4,116	\$2.6
2013	473,222	-867	392	137.9	1,618	\$6.2	\$22.0	\$34,515	\$4,265	\$2.6
2014	479,083	-685	399	138.9	1,521	\$6.5	\$23.2	\$34,989	\$4,437	\$2.7
2015	485,040	-684	406	140.1	1,557	\$6.8	\$24.6	\$35,639	\$4,566	\$2.7
2016	491,580	-195	413	141.0	1,451	\$7.2	\$25.9	\$36,110	\$4,748	\$2.8
2017	497,833	-576	420	142.0	1,441	\$7.6	\$27.4	\$36,576	\$4,947	\$2.8
2018	505,030	261	428	143.1	1,423	\$8.0	\$29.0	\$37,151	\$5,121	\$2.9
2019	512,456	365	435	144.0	1,310	\$8.4	\$30.7	\$37,730	\$5,333	\$2.9
2020	520,053	400	442	144.9	1,277	\$8.8	\$32.5	\$38,309	\$5,559	\$3.0

- The median home price in the county was \$439,021 in 2002. Adjusted for inflation, home prices are forecast to rise at an annual compound rate of 4.1 percent per year between 2003 and 2008.

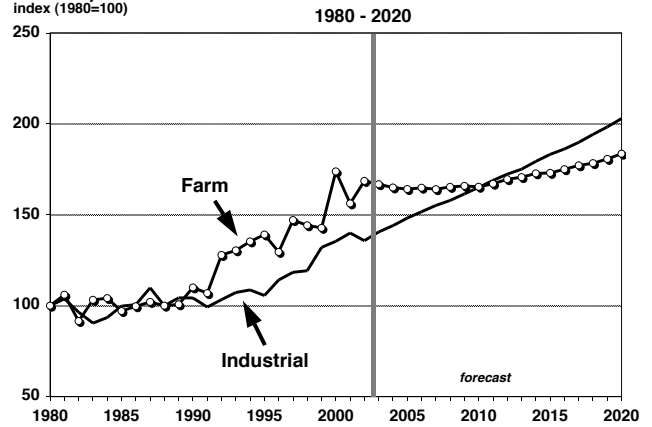
average annual
percent change

Real Industrial Production



inflation-adjusted
index (1980=100)

Industrial and Farm Production Indices



Total Wage & Salary (000)	Farm (000)	Construction (000)	Mining (000)	Manufacturing (000)	Transportation, Utilities (000)	Wholesale, Retail Trade (000)	Finance, Real Estate (000)	Services (000)	Government (000)
-----employment (jobs)-----									
141.2	31.9	3.9	0.1	8.8	5.0	29.3	6.4	29.9	25.8
146.9	33.4	4.2	0.1	9.5	5.3	30.5	6.1	31.2	26.7
151.0	33.5	4.6	0.1	9.6	5.4	31.0	5.9	32.9	28.1
154.7	33.5	5.5	0.1	9.4	5.4	31.8	6.1	33.7	29.2
161.1	35.6	6.1	0.1	9.6	5.2	33.1	6.2	35.5	29.8
166.4	36.9	6.4	0.1	10.1	5.1	33.6	6.6	37.3	30.4
166.9	34.6	6.7	0.2	10.5	5.1	34.4	6.7	38.3	30.4
167.3	35.4	6.6	0.2	9.6	5.1	34.6	6.7	37.8	31.3
168.3	34.5	6.8	0.3	9.6	5.1	35.1	6.8	38.2	31.9
169.8	34.4	7.0	0.3	9.7	5.1	35.5	6.8	38.6	32.4
171.1	33.9	7.2	0.3	9.7	5.1	36.0	6.9	39.1	33.0
172.2	33.1	7.3	0.3	9.8	5.1	36.6	7.0	39.6	33.5
175.0	33.8	7.5	0.3	9.8	5.1	37.2	7.1	40.1	34.2
176.1	32.8	7.6	0.3	9.8	5.0	37.8	7.1	40.7	34.8
178.8	33.3	7.8	0.3	9.8	5.0	38.5	7.2	41.4	35.5
181.8	33.7	7.9	0.3	9.9	5.0	39.2	7.3	42.2	36.2
183.4	32.8	7.9	0.3	9.9	5.0	40.0	7.3	43.1	37.0
185.9	32.5	8.0	0.3	9.9	5.0	40.8	7.4	44.1	37.9
189.6	33.3	8.0	0.3	9.9	5.0	41.7	7.5	45.1	38.9
192.4	32.9	8.1	0.3	9.9	5.0	42.5	7.5	46.3	39.8
196.6	33.9	8.1	0.3	10.0	5.0	43.4	7.6	47.5	40.9
199.3	33.1	8.1	0.3	10.0	5.0	44.3	7.7	48.8	42.0
202.9	33.2	8.1	0.3	10.0	5.0	45.2	7.7	50.3	43.1
207.2	33.7	8.2	0.3	10.0	5.0	46.1	7.8	51.8	44.3
210.6	33.3	8.2	0.3	10.0	5.0	47.0	7.8	53.4	45.6
214.6	33.3	8.2	0.3	10.1	5.0	48.0	7.8	55.1	46.9

